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# UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

## FIRST COUNTRY COOPERATION FRAMEWORK FOR THAILAND (1997-2001)

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## INTRODUCTION

1. The formulation for the first country cooperation framework (CCF) for Thailand 1997-2001 is based on consultations held on the Advisory Note prepared by UNDP.

2. The CCF has two conceptual underpinnings. First, the CCF correlates to the country's development objectives as outlined in the Eighth National Social and Economic Development Plan for the period 1997-2001. The Eighth Plan heralds a new point of departure, unequivocally placing people at the centre of all development efforts and setting out a trajectory which would place Thailand on a more sustainable development. Second, the CCF acknowledges the rapid pace of economic and social transformation that has taken place in Thailand, which led to the recognition of new challenges. In addressing these challenges, the relationship between the Royal Thai Government and UNDP must be defined in terms of partnership; whilst the proposals contained in this CCF seek to add new dimensions to this partnership.

3. A number of distinct phases can be identified in the process that has led to this CCF. These began with the mid-term review of the fifth country programme that resulted in an initial identification of priority programme areas for the CCF period. A Situational Analysis and Capacity Assessment Study was then undertaken in close consultation with government agencies and a wide range of development partners to provide the basis for an Advisory Note. Consultations with development partners then took place to define the scope and content of the CCF.

## I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

4. The Government began the implementation of a series of structural reforms in the mid-1980s. This laid the foundation for the country's subsequent economic transformation, and the economy has grown at an impressive rate, reaching over 8 per cent per annum. The key to this growth can be found in macroeconomic stability, the Government's commitment to fiscal and monetary restraint, and the maintenance of internal and external balances.

5. The rapid rate of growth has resulted in significant increases in per capita incomes and improvements in almost all of the other indicators traditionally used to measure development. Poverty among the population declined from 24 per cent in 1989 to 13 per cent in 1995.

6. Improvements in the quality of life have been confirmed by the UNDP human development index. Of the 173 countries for which HDIs are calculated, Thailand has moved from 74th place in 1990 to 52nd in 1996, and now rates as among the world's high human development countries.

7. Although Thailand has achieved much in recent decades in both social and economic development, it is confronted with the following range of problems that have accompanied the country's rapid transformation.

(a) Poverty and inequality. Despite high rates of economic growth and the progress recorded in poverty eradication, there is mounting evidence of a slowdown in the rate of poverty reduction and of growing income inequalities. Growth has not brought equity, and income distribution trends are demonstrably anti-poor. Income inequalities both within and between regions and between rich and poor groups are widening;

(b) Social disintegration. Rapid economic transformation has had disruptive effects on the country's social structures. The values of an overwhelmingly Buddhist society have been eroded and are coming under sustained attack from growing materialism. The replacement of the extended family by the nuclear family in urban and rural areas has also served to weaken the sense of community and traditional forms of cooperation and safety nets, increasing the vulnerability of disadvantaged groups. In addition, drug addiction and crime are on the rise;

(c) Environmental degradation. High rates of economic growth have incurred environmental costs. Many of the environmental trends are disturbing; some are alarming. Deforestation is increasing at a faster rate than reforestation. Water problems are becoming increasingly critical. Already, more than one third of all villages have insufficient water. Much of the water that is returned to rivers, especially in and near towns and cities, is polluted. Air pollution in urban areas is now a serious risk to public health;

(d) Governance. During the past three decades, the State has proliferated its functions and centralized its authority. At the same time, it has created conditions that have made it possible for the private sector to flourish. However, these trends have narrowed the ability for civil society to manoeuvre and have increased the dependence of people on government programmes. At the same time, however, pressures for political and administrative reforms, for transparency and accountability, and for opportunities for participation are mounting.

8. These and related challenges are being addressed by the Government through a wide range of policies, programmes and institutions. There is nevertheless a growing consensus that a more fundamental shift in development strategy is needed. This shift is elaborated in the Eighth National Social and Economic Development Plan.

9. The focus of the Eighth Plan is on enlarging the basis for sustainable development through an approach that involves people in all development efforts. It stresses the importance of developing the potential of the Thai population and of empowerment of individuals, communities and civic society. The Eighth Plan is a strategic and indicative document. However, it was arrived at through a broad-based process of consultation at the national and sub-national levels. Firmly rooted in the principles of justice, equity and inclusiveness, the Eighth Plan is guided by five main objectives:

(a) To foster and develop the potential of all Thais in terms of health, physical wellbeing, intellect, vocational skills and ability to adapt to changing social and economic conditions;

(b) To develop a stable society, strengthen families and communities, support human development, improve quality of life and promote increasing community participation in national development;

(c) To promote stable and sustainable economic growth, and to empower the people to play a greater role in the development process and receive a fair share of the benefits of growth;

(d) To utilize, preserve and rehabilitate the environment and natural resources in such a way that they can play a major role in economic and social development and contribute to a better quality of life for the Thai people;

(e) To reform the system of public administration so as to allow greater participation of non-governmental organizations, the private sector, communities and the general public in the process of national development.

10. The Eighth Plan gives concrete expression to the objectives and targets of the global compacts concluded in recent years. These targets include health for all (Alma-Ata), education for all (Jomtien), environment (Rio de Janeiro) a commitment to population policies (Cairo) and the empowerment of women (Beijing). It is important to note that the Eighth Plan embodies the recommendations of the World Summit on Social Development.

11. Translation of the Plan into operational strategies and programmes has not yet taken place and its implementation can be expected to place formidable demands on Thailand's capacities for institutional innovation at the national and sub-national levels. It will also call for new mechanisms and impact indicators for measuring progress.

12. For this purpose, Thailand has entered into a new partnership with the United Nations system in the form of a Thailand-United Nations Collaborative Action Plan (Thai-UNCAP) to spearhead early implementation on a pilot basis of the people-centred objectives of the Plan.

## II. RESULTS AND LESSONS OF PAST COOPERATION

13. During the fifth cycle, cooperation between Thailand and UNDP involved major efforts to achieve greater substantive focus with the aim of increasing the overall impact. As a result, the nine programmes at the start of the fifth country programme have been consolidated into five programmes, through application of the programme approach. They consist of: basic and occupational training; rural income opportunities, HIV/AIDS prevention and care; environment and natural resources management, and regional and urban development.

14. All the programmes currently under implementation stress capacity development. Some focus on upstream issues, some on decentralized concerns, while others combine capacity development at different levels. Capacity development is also the focus of the three projects under implementation. Discrete projects are able to achieve significant capacity development impacts as exemplified by the project on civil service revitalization, which has been

effective in improving the efficiency of line ministries, and in decentralizing personnel management functions.

15. Attempts have also been made to introduce new operational modalities, notably the national execution modality, and to simplify substantive and financial procedures so as to bring them more into line with the national system. The reduction of administrative burdens on implementing and executing agencies has also begun.

16. The mid-term review held in June 1995 confirmed that efforts made with regard to the above have achieved tangible results in terms of the overall relevance, effectiveness and impacts of the fifth country programme. In addition to achieving improved focus and greater programme coherence, it was noted that programming activities combined with the introduction of the programme approach and the national execution modality had served to anchor programmes more firmly in government priorities, enlarged government "ownership" of programmes, enhanced sustainability of impacts and had increased overall cost effectiveness.

## III. PROPOSED STRATEGY AND THEMATIC AREAS

17. The strategy of the CCF is guided by three major considerations:

(a) The Eighth National Development Plan. The strategy recognizes that the Plan represents a significant shift in the country's approach to the concept of development. The Plan embodies the concept of people-centred development that has been strongly advocated by UNDP and it incorporates the agenda of the international community in terms of commitments entered into in global compacts. Numerous challenges will accompany its implementation, especially with respect to the capacity of national and sub-national agencies. This will involve greater participation by all development partners at all levels. In this respect, one of the implementation strategies is Thai-UNCAP which brings together the United Nations system and Thai development partners for the achievement of people-centred development;

(b) Partnership. The strategy must build on the progress already made in transforming the relationship between UNDP and the Government from one of donor and recipient to one of genuine partnership. The strategy must recognize that due to Thailand's increased economic strength, its development cooperation needs differ from those of many other countries in which UNDP operates. The further transformation of the relationship implies new roles and responsibilities for UNDP and should be reflected in a programme of cooperation that is responsive to the new development challenges;

(c) Comparative advantages. UNDP comparative advantages that are particularly important to Thailand are its neutrality, its responsiveness to government priorities, its ability to play a catalytic role and undertake demonstration work, and its access to regional and global networks of expertise and information. UNDP strategy for cooperation will also stress its role in aid coordination, building new partnerships in support of people-centred

development, simplification of operational modalities, especially in respect of national execution, and resource mobilization.

18. The two thematic areas and the three programmes contained in the CCF are derived directly from Thailand's national development priorities and needs in addition to the comparative advantages of UNDP in supporting these priorities.

Theme 1: Sustainable human development for poverty alleviation

19. There is growing congruence between Thailand's new approach to development and themes arising from the global development agenda emerging from the global conferences. Therefore, the Government and UNDP will work in close partnership in the implementation of new human-centred approaches to development and for further reduction in Thailand's poverty levels and income disparities. UNDP collaboration will focus on the key elements of sustainable human development (SHD), including environmental protection, sustainable livelihoods, governance and the advancement of women, with an overall priority goal of alleviating poverty. UNDP is well-positioned to implement the new development approaches focusing on vulnerable groups, integrating marginalized segments of society into the economic mainstream and advocating social and economic policies for the enhancement of social equity. The objective of Theme 1 can be formulated as building capacities at national and sub-national levels required for the effective implementation of policies and programmes in support of sustainable human development for poverty alleviation.

Theme 2: Thailand's emerging issues and role as a regional development partner

20. Thailand has undergone a major economic and social transformation in recent decades and this is likely to continue. For this reason, two proposals have been made to UNDP. First, the Government wishes to collaborate further with UNDP in exploring and addressing the new and emerging issues of importance. As an advancing economy, the Government faces an array of new economic and social challenges which cannot be anticipated. Secondly, Thailand in partnership with UNDP, wishes to share its development experiences and expertise to support other countries' advancement in the field of sustainable human development and poverty alleviation. The objectives of Theme 2 can be summarized as adding new dimensions to the partnership already existing between the Government and UNDP, to explore and address new and emerging issues of priority as well as to enhance capacity to become a development partner in the region.

21. The two themes should not be regarded as being mutually exclusive. On the contrary, there are numerous interactions between them. The SHD orientation of the programme proposed under Theme 1 is shared with Theme 2, and all programmes will be anchored in government priorities, plans, policies and programmes.

Programme 1: Capacity development in support of SHD for poverty alleviation (Theme 1)

22. Thailand's success in its new approach to development resides in the capacity of government agencies, at all levels and communities, to implement programmes that give clear expression to the new directions and priorities, particularly with regard to poverty alleviation. This will place new demands on government agencies, especially the ministries that execute policies and programmes in support of the SHD-related agenda, requiring them to review and reorient many of their policies and programmes and to demonstrate a capacity for change and innovation in both thinking and action. It will also place new responsibilities at the local level which will have a greater role to play with regard to the livelihoods of individuals, families and the community itself. The programme will respond to priorities in relation to: disparities, disadvantaged groups, income generation and governance and decentralization.

23. The main objective of the programme can be summarized as building capacities at national and sub-national levels for policy, management development and implementation of programmes of key ministries and agencies in support of sustainable human development for poverty alleviation.

24. The programme will focus on capacity development of line ministries to implement policies and programmes as outlined in their operational plans. Capacity development activities may cover the strengthening of planning and management capabilities of government agencies at the national and sub-national levels to enable them to take on new roles and responsibilities, strengthening of capabilities of institutions at the provincial, district and local levels, and enhancing capacity at the local level in development activities.

25. The programme will be composed of the following inter-related and mutually-reinforcing components:

(a) Policy development: To provide support to critical policies related to SHD for poverty alleviation and to assist line ministries in the implementation of operational plans linked to the Eighth Plan;

(b) Management development: To strengthen planning and managerial capacities at all levels for implementation of poverty reduction programmes;

(c) Economic opportunities: To achieve sustainable increases in the income of poor households through agricultural and non-farm employment;

(d) Environment and natural resources: To develop and implement locally based initiatives for the sustainable utilization of natural resources;

(e) Human resources development: To provide occupational/vocational education as well as technical and entrepreneurial skills training for disadvantaged groups, aimed at enlarging employment opportunities.

Programme 2: Emerging issues (Theme 2)

26. As a result of its rapid economic and social transformation and the need to reorient its development path, Thailand must increasingly address a complex agenda of policy, planning and a number of other issues that have yet to be ascertained. The Government's capacity to address emerging issues would be enhanced by the creation of a mechanism to access and mobilize the specialized expertise and information that may be required. The creation of such a mechanism would provide evidence of the responsiveness of UNDP to new government priorities and needs.

27. The objective of the Programme can be formulated as enabling the Government to address emerging high priority issues whilst Thailand advances to the next stage in its development.

28. Major modalities of the programme will include, first, accessing expertise: to access experts and expert institutions of the highest international standard. Secondly, information sharing: to access comparative experience through information on internationally acclaimed "best practices", with maximum use made of the Internet. Finally, policy networking: to be promoted in order to be able to meet the growing demand for analysis of medium and long-term development planning issues.

29. Through the above modalities, a wide range of emerging issues will be addressed in broad areas such as sustainability and performance of the Thai economy, promotion of basic health, demographic analysis, promotion of social welfare and protection of biodiversity.

30. Determining factors for the selection of issues will be government priorities and UNDP capacity to respond to the needs, taking account of its comparative advantages as a development partner. In addition, proposals from Thai-UNCAP may be considered since it represents a forum for Government, civil society and the United Nations system jointly to address priority issues in Thailand's development.

31. In responding to these needs, the UNDP Bangkok office-based SHD resource facility will be utilized.

Programme 3: Trilateral cooperation (Theme 2)

32. Thailand has not only made remarkable strides in the fields of social and economic development, but has also acquired over a period of some 40 years, considerable experience in the absorption, use and management of foreign aid. It has thus demonstrated its capacity to link effectively available external resources to national development needs. In recognition of the fact that Thailand is particularly well-endowed to play a catalytic role in fostering sustainable development in the region, the Department for Technical and Economic Cooperation (DTEC) of the Government and UNDP will jointly launch a programme of cooperation aimed at transferring Thai experience to interested countries in the Asia region.

33. The objective of the Programme can be summarized as consolidating and extending DTEC-UNDP activities aimed at transferring Thai expertise and skills required for the promotion of SHD for poverty reduction to less-developed countries in the region.

34. Seven priority areas have initially been identified for cooperation activities covering: education; governance and local level capacity-building; shifting cultivation, watershed management and reforestation; development of small and medium enterprises; advancement of the role of women; cooperation in combating HIV/AIDS; and management of public enterprises.

35. Consultations will be carried out to review options and mechanisms for the trilateral cooperation. This consultative process should result in identification of new areas and priorities for DTEC/UNDP cooperation as well as recommendations on cooperation with other donors.

## IV. MANAGEMENT ARRANGEMENTS

36. Execution and implementation. All proposed programmes will, to the maximum extent possible, apply the programme approach to ensure that they are derived from national priorities and are embedded in national policies and programmes. Implementation will be based on the national execution modality, building upon the progress made in the introduction and full operationalization of the modality during the past cycle of assistance. Priority will be given to simplification of national execution arrangements and procedures in order to reduce administrative burdens and to accelerate delivery. The delivery rate will be carefully monitored through a comprehensive system involving monthly meetings with project management and through a computerized tracking system that is updated each month.

37. Monitoring and review. In accordance with current practice, the intention will be to ensure that each of the three new programmes will have its own programme coordination units, national programme managers and support staff, steering committee and management arrangements. The details will, as in the past, be elaborated in full consultation with DTEC. An annual review will be undertaken of individual programmes as well as of the CCF as a whole. This will measure progress in programme implementation based on programme-specific performance indicators and success criteria that will be used to identify and assess the need for changes in programme design and implementation arrangements. A triennial review will be made of the CCF that will not only be used to assess overall impacts but also its continued relevance and the need for new programming initiatives.

38. Resource mobilization. UNDP resource mobilization strategy will be to secure the maximum core resources available under the target for resource assignment from the core (TRAC) I and TRAC II through early programming, and to supplement core resources with non-core resources. The highest priority will be accorded to securing co-funding from the Government, joint programming with other United Nations agencies and mobilizing resources from other development partners. Efforts will be made to secure non-core resources from multilateral funds, such as the Global Environment Facility. Resource mobilization targets for the CCF are summarized in the attached annex.

Annex

Resource mobilization target table for Thailand, 1997-2001

(In thousands of United States dollars)

| Source | Amount | Comments |
|---|---|---|
| UNDP CORE FUNDS | | |
| Estimated IPF carry-over | 4 333 | |
| TRAC 1.1.1 | 6 981 | Assigned immediately to country. |
| TRAC 1.1.2 | 0 to 66.7 per cent of TRAC 1.1.1 | This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources. |
| Other resources | 250 | TCDC |
| SPPD/STS | 380 | 14 of which is estimated carry-over as of 12/96. |
| Subtotal | 11 944[a] | |
| NON-CORE FUNDS | | |
| Government cost-sharing | - | |
| Sustainable development funds | 11 500<br>of which: | |
| GEF | 1 500 | |
| Montreal Protocol | 10 000 | |
| Third-party cost-sharing | 3 000 | |
| Funds, trust funds and other | 625<br>of which: | |
| Poverty Funds | 500 | |
| UNV | 125 | |
| Subtotal | 15 125 | |
| GRAND TOTAL | 27 069[a] | |

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = global environment facility; IPF = indicative planning figure; TCDC = technical cooperation among developing countries; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; and UNV = United Nations Volunteer programme.

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